



General Assembly

Substitute Bill No. 1395

January Session, 2001

AN ACT CONCERNING COMMERCIAL REAL ESTATE BROKERAGE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 (NEW) (a) If a landlord or tenant in a commercial real estate
2 transaction enters into an agreement pursuant to subsection (b) or (c)
3 of section 20-325a of the general statutes for the payment of
4 compensation, or the promise of payment, to a real estate broker in
5 consideration for brokerage services rendered in connection with the
6 consummation of a written lease, then notwithstanding any provision
7 of law under which such compensation may otherwise be considered
8 the personal obligation of the original landlord or tenant specifically
9 named in the written lease, the agreement shall constitute a binding
10 contractual obligation of such landlord or tenant, as the case may be,
11 and the landlord's or tenant's grantees, successors and assigns. Upon
12 any sale, transfer, assignment or other disposition, including, but not
13 limited to, any such disposition by reason of the enforcement of a
14 mortgage, lien, deed to secure debt or other security instrument of a
15 landlord's interest in real property or upon any sale, assignment,
16 transfer or other disposition of a tenant's leasehold interest, the
17 succeeding party shall be bound for all obligations under such
18 agreement accruing after the sale, transfer, assignment or other
19 disposition with the same effect as if such succeeding party had
20 expressly assumed the landlord's or tenant's obligations relating to the
21 written agreement if: (1) The real estate broker has complied with the

22 provisions of subsections (b) to (d), inclusive, of this section; (2) the
23 succeeding party assumes the benefits of the tenancy; and (3) the
24 agreement has not been waived in writing by the real estate broker.

25 (b) A real estate broker shall be entitled to the protections afforded
26 by this section only upon the broker's recording a notice of commission
27 rights in the land records in the office of the town clerk in the town in
28 which the real property or leasehold interest is located not later than
29 thirty days after the execution of the lease or the tenant's occupancy of
30 the leased premises, whichever is later. The notice of commission
31 rights shall (1) be filed before conveyance of the real property, (2) be
32 signed by the real estate broker or by a person expressly authorized to
33 sign on behalf of the broker, and (3) be in substantially the following
34 form:

35 NOTICE OF COMMISSION RIGHTS

36 The undersigned licensed Connecticut real estate broker does
37 hereby publish this NOTICE OF COMMISSION RIGHTS to establish
38 that the lease referenced below was procured by a real estate broker
39 pursuant to a written brokerage commission agreement providing for
40 the payment or promise of payment of compensation for brokerage
41 services.

42 Owner:

43 Landlord:

44 Tenant:

45 Lease date:

46 Lease term:

47 Project or building name (if any):

48 Real estate broker name

49 Address

50 Telephone number

51 Real estate license number

52 (c) Not later than thirty days after the real estate broker receives
53 final payment of commissions due under the written brokerage
54 commission agreement, the real estate broker shall provide the owner,
55 tenant or mortgagee a statement, in a form suitable for recording on
56 the land records, that indicates that the broker's commission rights are
57 terminated.

58 (d) Notwithstanding any provision of this section, nothing in this
59 section shall be construed to create a lien on the real property that is
60 the subject of the lease.

INS *Joint Favorable Subst.*

JUD *Joint Favorable*